

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 7781

Investigation into the Establishment of a     )  
Standard-Offer Price for certain Existing     )  
Hydroelectric Plants under the Sustainably     )  
Priced Energy Enterprise Development     )  
("SPEED") Program     )

Order entered: 12/14/2011

**PREHEARING CONFERENCE MEMORANDUM**

**I. INTRODUCTION**

The Hearing Officers convened a prehearing conference in this proceeding on December 9, 2011. Appearances were entered by: John Beling, Esq., for the Department of Public Service ("Department"); Morris Silver, Esq., for Central Vermont Public Service Corporation; and Harriet King, Esq., for VEPP, Inc., the SPEED Facilitator. A representative of Brockway Mills, a hydroelectric facility, arrived after adjournment of the proceeding. He was informed of the events that occurred at the prehearing conference and did not seek to reopen the conference when provided the opportunity.

**II. AVAILABILITY OF STANDARD OFFER**

Section 8005(b)(2)(G) of Title 30 requires the Public Service Board ("Board") to make available a standard offer pursuant to 30 V.S.A. § 8005(b) to existing hydroelectric facilities that do not exceed 2.2 MW in capacity. The Public Service Board ("Board") must make available a portion of the 50 MW capacity in the standard-offer program that is unsubscribed as of January 1, 2012. The statute also requires the Board to issue notice of the availability of the standard offer by October 1, 2011.

The Board issued the required notice on September 30, 2011. Two hydroelectric facilities responded: Brockway Mills LLC and Factory Falls LLC. Factory Falls stated its interest in

receiving a standard offer; Brockway Mills indicated its interest in receiving information concerning a possible standard offer.

Due to the expression of interest from these two facilities, Section 8005(b) requires the Board to make available capacity under the standard-offer program, but not "more of the cumulative 50-MW plant capacity that is unsubscribed as of January 1, 2012." At the present time, no unsubscribed capacity exists, so no allocation would occur. Over time, however, renewable generation facilities accepted into the standard-offer program have dropped out and been replaced from the waiting list, consistent with the program design the Board adopted in 2009.<sup>1</sup> This presents a preliminary question: assuming plants drop out of the program before January 1, 2012, under the statute and prior Board Orders, should any capacity under 50 MW be replaced from the waiting list or reserved for the two hydroelectric facilities that expressed interest in receiving a standard-offer contract?<sup>2</sup> The Hearing Officers request that the parties brief this issue as a preliminary matter.

### **III. SCHEDULE**

At this time, it is not known whether unallocated capacity will exist. If not, there is no need for the Board to establish prices for existing hydroelectric facilities. However, the parties agreed to a schedule that would take effect if the Board determines that unallocated capacity exists. At the prehearing conference, we accepted the following schedule.

December 16, 2011	Parties file Brief on Legal Issue of Availability of Capacity
December 23, 2011	Parties Issue Discovery
January 13, 2012	Responses to Discovery Due
January 20, 2012	Parties File Testimony
January 27, 2012	Parties Issue Discovery on Testimony

---

1. Docket 7533, Order of 9/30/09, as modified and further explained by subsequent implementation orders issued in Docket 7533 (see the Board's web site, <http://psb.vermont.gov/docketsandprojects/electric/7523>).

2. Under the statute, if capacity exists on that date, it must be made available to the hydroelectric facilities; the question pertains to what action the Board and SPEED Facilitator should take between now and that date if plants drop out.

February 3, 2012	Responses to Discovery Due
February 10, 2012	Evidentiary Hearing

The schedule for briefing will be established at the hearing. Also, the Department stated its interest in working with the Board's independent consultant, John Dalton of Power Advisory, to develop discovery and identify pricing methodologies. This joint effort should facilitate the establishment of prices if that becomes necessary.

**SO ORDERED.**

Dated at Montpelier, Vermont, this 14<sup>th</sup> day of December, 2011.

s/Mary Jo Krolewski

Mary Jo Krolewski  
Hearing Officer

s/George Young

George Young  
Hearing Officer

OFFICE OF THE CLERK

FILED: December 14, 2011

ATTEST: s/Susan M. Hudson  
Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)*